

The Washington Times [reports that](#)

Congress' chief scorekeeper says the global warming bill moving through Congress will either be scored as a major tax increase or a massive expansion of the federal government - and either one could give opponents substantial ammunition to complicate Democrats' efforts to pass a bill.

The Congressional Budget Office (CBO), in a letter sent last week to House Energy and Commerce Committee Chairman Henry A. Waxman, said Democrats' approach of creating allowances for emitting greenhouse gases requires developing from scratch a market worth hundreds of billions of dollars.

Congressman Pence [has been outspoken on this legislation, calling it an "economic declaration of war on the Midwest."](#)

the
[Group](#)

markup hearings very closely.

Congressman Pence is Chairman of
[American Energy Solutions](#)
which will be watching the

Investor's Business Daily also [published an editorial](#) which warns that

As energy prices rise, income and employment will fall. Because families will spend larger portions of their incomes on energy - as much as \$1,500 a year for a typical family of four - they will have less to spend on basic needs, less to invest, less to buy luxury items.

Economic activity won't be wiped out by the higher energy costs. But it will be severely jarred. The White House itself, through the Small Business Administration's Office of Advocacy, concedes that restricting carbon emissions "is likely to have serious economic consequences for regulated entities throughout the U.S. economy."

It's conceivable that a cap-and-trade regime - or a carbon tax, which would likely generate similar GDP losses - could create permanent economic stagnation.

Economies grow best when the tax burden is low. But economies are handicapped when the burden is high, and cap-and-trade (indirectly) and a carbon tax (directly) increase that burden. As Myron Ebell, the Competitive Enterprise Institute's director of energy and global warming policy, noted, this would be the "biggest tax increase in history."